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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	:
	:
SEARS HOLDINGS CORPORATION, et al.,	:
	:
	:
Debtors.¹	:
-----X	

**Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)**

DEBTORS' PERIODIC REPORT PURSUANT TO BANKRUPTCY RULE 2015.3

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Fill in this information to identify the case:Debtor Name Sears Holdings Corporation, et al.United States Bankruptcy Court for the: Southern District of New York
(State)Case number: 18-23538 (RDD)

Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities
in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

12/17

This is the *Periodic Report* as of Fiscal Year Ended ("FYE") February 3, 2018 and the nine months ended November 3, 2018, on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

Sears Holdings Corporation and its affiliated debtors (collectively, the "Debtors") hold a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entities	Interest of the Debtor	Tab #
See Exhibit: Controlled Non-Debtor Entities		

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name Sears Holdings Corporation, et al.

Case number 18-23538 (RDD)

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X /s/ Robert A. Riecker
Signature of Authorized Individual
Robert A. Riecker
Printed name of Authorized Individual
Date 1/17/2019
MM / DD / YYYY

For individual Debtors:

X _____
Signature of Debtor 1

Printed name of Debtor 1
Date _____
MM / DD / YYYY

X _____
Signature of Debtor 2

Printed name of Debtor 2
Date _____
MM / DD / YYYY

Exhibit: Controlled Non-Debtor Entities

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

The Debtors directly hold a substantial or controlling equity interest in the following entities:

Controlled Non-Debtor Entity	Interest of the Estate	F/N
<u>Debtor - Kmart Corporation</u>		
<i>Non-Debtor Entitie(s):</i>		
Big Beaver Development Corporation	100%	(a)
Naples Joint Venture	50%	(a)(b)
Red Road Joint Venture	50%	(a)(b)
Kmart Corporation of Illinois, Inc.	100%	(a)
Kmart International Services, Inc.	100%	(a)
Kmart Overseas Corporation	100%	
Sears Holdings Global Sourcing Limited	100%	
International Sourcing & Logistics Limited	100%	
Quality Assurance Laboratory Limited	100%	
Sears Sourcing India Private Limited	(Kmart Overseas Corp. owns 95.34%)	(a)
S.F.P.R., Inc.	100%	
Troy Coolidge No. 1, LLC	100%	(a)
Troy Coolidge No. 2, LLC	100%	(a)
Troy Coolidge No. 4, LLC	100%	(a)
Troy Coolidge No. 5, LLC	100%	(a)
Troy Coolidge No. 7, LLC	100%	(a)
Troy Coolidge No. 10, LLC	100%	(a)
Troy Coolidge No. 12, LLC	100%	(a)
Troy Coolidge No. 14, LLC	100%	(a)
Troy Coolidge No. 15, LLC	100%	(a)
Troy Coolidge No. 17, LLC	100%	(a)
Troy Coolidge No. 18, LLC	100%	(a)
Troy Coolidge No. 22, LLC	100%	(a)
Troy Coolidge No. 30, LLC	100%	(a)
Troy Coolidge No. 32, LLC	100%	(a)
Troy Coolidge No. 42, LLC	100%	(a)
Troy Coolidge No. 46, LLC	100%	(a)
Troy Coolidge No. 50, LLC	100%	(a)
Troy Coolidge No. 53, LLC	100%	(a)
Troy Coolidge No. 62, LLC	100%	(a)
<u>Debtor - Kmart Operations, LLC</u>		
<i>Non-Debtor Entitie(s):</i>		
Kmart Operations of Michigan LLC	100%	(a)
<u>Debtor - Sears Brands Business Unit Corporation</u>		
<i>Non-Debtor Entitie(s):</i>		
Shop Your Way, Inc.	100%	
<u>Debtor - Sears Brands, L.L.C.</u>		
<i>Non-Debtor Entitie(s):</i>		
KCD IP, LLC	100%	

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

The Debtors directly hold a substantial or controlling equity interest in the following entities:

Controlled Non-Debtor Entity	Interest of the Estate	F/N
<u>Debtor - Sears Brands Management Corporation</u>		
<i>Non-Debtor Entitie(s):</i>		
Sears International (Barbados), Inc.	100%	(a)
<u>Debtor - Sears Holdings Corporation</u>		
<i>Non-Debtor Entitie(s):</i>		
Sears Authorized Independent Auto Centers LLC	100%	
<u>Debtor - Sears Holdings Management Corporation</u>		
<i>Non-Debtor Entitie(s):</i>		
Manage My Home Inc.	100%	
MetaScale LLC	100%	
SHC Financial, LLC	100%	
SHC Israel Ltd.	100%	
SHMC Beverly Group LLC	100%	
Sears Global Technology Services LLC	100%	
State Interactive LLC	100%	(a)
<u>Debtor - Sears, Roebuck and Co.</u>		
<i>Non-Debtor Entitie(s):</i>		
Bub, LLC	100%	
Ravenswood1010, LLC	100%	(a)
Sears Financial Holding Corporation	100%	
Sears Global Technologies India Private Limited	95%	
Sears Grand, LLC	100%	(a)
Sears Holdings Mauritius Holding Company	99.99%	
Sears IT & Management Services India Private Limited	94.98%	
Sears Home Services, L.L.C.	100%	(a)
Sears International Holdings Corp.	100%	
Sears Canada Holdings Corp.	100%	
Sears Mexico Holdings Corp.	100%	
Sears Shop at Home Services, Inc.	100%	
Searsvale Acquisition LLC	100%	(a)
Sears World Trade Comercial Limitada	100%	(a)
SHC Charitable Promotions LLC	100%	
SRC Crystal Lake LLC	100%	(a)
Crystal Lake JV LLC	79%	(a)(b)
SRC Harlem North Redevelopment, LLC	100%	(a)
SRC Sparrow 1 LLC	100%	(c)
SRC Sparrow 2 LLC	100%	(a)(c)
SRC O.P. LLC	100%	(c)
SRC Facilities LLC	100%	(c)
SRC Real Estate (TX), LLC	100%	(c)
ST Holdings, Inc.	100%	(a)

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

The Debtors directly hold a substantial or controlling equity interest in the following entities:

Controlled Non-Debtor Entity	Interest of the Estate	F/N
<u>Debtor - ServiceLive, Inc.</u>		
<i>Non-Debtor Entitie(s):</i>		
ServiceLive Solutions Ltd.	100%	(a)
<u>Debtor - SRe Holding Corporation</u>		
<i>Non-Debtor Entitie(s):</i>		
Sears Reinsurance Company Ltd.	100%	

Footnote(s):

- (a) The legal entity does not have a financial statement for the FYE February 3, 2018 and nine months ended November 3, 2018.
- (b) The legal entity is a tax partnership.
- (c) *See* to the General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

General Notes

This Periodic Report has been prepared solely for the purpose of complying with the Federal Rules of Bankruptcy Procedure and is in a format acceptable to the United States Trustee. This Periodic Report includes those non-debtor entities directly or indirectly owned by the Debtors (as defined below). It also excludes non-debtor entities which the Debtors directly or indirectly hold less than a 20% interest.

The information included in this Periodic Report has been provided by the Debtors' management.

Description of these Chapter 11 Cases

On October 15, 2018 (the "**Petition Date**"), Sears Holdings Corporation and 49 of its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "**Debtors**," and together with the Debtors' non-debtor affiliates, the "**Company**") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"). In addition, Debtors SHC Licensed Business LLC, SHC Promotions LLC, and SRe Holding Corporation filed their voluntary petitions for relief on October 18, 2018, October 22, 2018, and January 7, 2019, respectively. The Debtors' chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") under the caption Sears Holdings Corporation, *et al.*, Case No. 18-23538 (RDD) (S.D.N.Y.), pursuant to an order entered by the Bankruptcy Court on October 15, 2018 [ECF No. 118]. On October 24, 2018, the United States Trustee for Region 2 (the "**U.S. Trustee**") appointed an official committee of unsecured creditors pursuant to section 1102(a) of the Bankruptcy Code (the "**Creditors' Committee**") [ECF No. 276]. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Additional information about these chapter 11 cases, court filings, and claims information is available at the Debtors' restructuring website: <https://restructuring.primeclerk.com/sears/Home-Index>.

Financial Statements

The Debtors are providing balance sheets and income statements for each of the non-debtors that are directly "controlled" by the Debtors, as that term is defined in the Federal Rules of Bankruptcy Procedure Rule 2015.3. The Debtors and non-debtor subsidiaries prepare cash flow statements and statements of shareholders' equity on a consolidated basis only and not on an entity-by-entity basis and, therefore, entity-by-entity cash flow statements and statements of shareholders' equity are not included in this Periodic Report. The unaudited condensed financial statements presented in this Periodic Report are derived from the books and records of the non-debtor entities. Such information, however, is preliminary and unaudited, and is not prepared in accordance with generally accepted accounting principles ("**GAAP**") in the United States. In addition, the financial statements and supplemental information contained herein represent condensed combined information and is limited in scope and covers a limited time period.

The Debtors attempted to attribute the assets and liabilities, certain required financial information, and various cash disbursements to the proper Non-Debtor entity. However, because the Non-Debtors' accounting systems, policies, and practices were developed for consolidated reporting purposes, rather than by individual legal entity, it is possible that not all assets, liabilities or amounts of cash disbursements have been recorded with the correct legal entity.

The information furnished in this report includes primarily normal recurring adjustments, but does not include all of the adjustments that would typically be made in accordance with U.S. GAAP. The financial statements presented in USD for each non-debtor entity are not prepared in accordance with local GAAP.

The financial information has not been subject to certain procedures that would typically be applied to financial information in accordance with GAAP, and upon application of such procedures the financial information could be subject to material change. The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

Controlled Non-Debtor entities represent entities in which the estate controls or owns at least a 20 percent interest. In such cases, the estate's interest is presumed to be substantial or controlling.

The following legal entities were merged, newly created, or converted in March 2018.

FYE 2017	Description	FYE 2018
SRC Depositor Corporation	Merged into a new entity	SRC Sparrow 1 LLC ¹
Not Applicable	New entity	SRC Sparrow 2 LLC ²
SRC O.P. Corporation	Converted to	SRC O.P. LLC ³
SRC Facilities Statutory Trust	Converted to	SRC Facilities LLC ⁴
SRC Real Estate (TX), LP	Converted to	SRC Real Estate (TX), LLC ⁵

Adjustments to Accounts or Balances

Possible significant future adjustments may include:

1. Intercompany balances adjustments;
2. Adjustments to tax accruals and valuations; and

¹ SRC Depositor Corporation merged into a new entity SRC Sparrow 1 LLC with SRC Sparrow 1 LLC as the surviving entity.

² SRC Sparrow 2 LLC is a new entity formed March 2018.

³ SRC O.P. Corporation converted to SRC O.P. LLC: SRC O.P. Corporation converted from a Delaware corporation to a Delaware limited liability company (to be named "SRC O.P. LLC").

⁴ SRC Facilities Statutory Trust converted to SRC Facilities LLC; SRC Facilities Statutory Trust converted from a Delaware statutory trust to a Delaware limited liability company SRC Facilities LLC, with SRC O.P. LLC as its sole member and equity holder.

⁵ SRC Real Estate (TX), LP converted from a Delaware limited partnership to a Delaware limited liability company SRC Real Estate (TX), LLC.

3. Changes to investment in subsidiaries.

Intercompany Transactions

Receivables and payables between the non-debtor entities and Debtors and/or among the various non-debtor entities have not been eliminated. No conclusion as to the legal obligation related to these intercompany transactions is made by this Periodic Report.

Reservation of Rights

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect, nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admission with respect to these chapter 11 cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including without limitation with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

Debtor Name Sears Holdings Corporation, et al.

Case number 18-23538 (RDD)

Exhibit A: Financial Statements

Debtor Name Sears Holdings Corporation, et al.

Case number 18-23538 (RDD)

Exhibit A-1: Balance Sheet and Statement of Income (Loss) for the Fiscal Year Ended February 3, 2018

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	Bub, LLC	International Sourcing & Logistics Limited	KCD IP, LLC	Kmart Overseas Corporation
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 239,613	\$ -	\$ -
Account receivables	-	-	-	-
Due from affiliated entities	-	690,498	-	2,011,141
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-
Total current assets	-	930,111	-	2,011,141
Total property and equipment, net	-	-	-	-
Investment in affiliated entities	-	-	-	15,629,544
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	-	4,230,841,511	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	731,820,000	-
Other assets	-	-	-	-
TOTAL ASSETS	\$ -	\$ 930,111	\$ 4,962,661,511	\$ 17,640,685
LIABILITIES				
Current liabilities				
Due to affiliated entities	\$ 260,628	\$ -	\$ 406,117,979	\$ -
Merchandise payables	-	-	-	-
Other current liabilities	32,552	1,501,493	412,787,717	19,070
Unearned revenues	-	-	-	-
Other taxes	-	-	-	-
Total current liabilities	293,180	1,501,493	818,905,696	19,070
Pension and postretirement benefits	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	900,000,000	-
Affiliated entities note payable	-	-	-	22,555
Long term deferred tax liabilities	-	-	179,389,097	-
Total Liabilities	293,180	1,501,493	1,898,294,793	41,625
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/				
Affiliated companies equity	-	129	1,001,200,000	15,615,491
Retained earnings (deficit)	(293,180)	(571,511)	2,063,166,718	1,983,569
Accumulated other comprehensive income	-	-	-	-
Total Equity	(293,180)	(571,382)	3,064,366,718	17,599,060
TOTAL LIABILITIES AND EQUITY	\$ -	\$ 930,111	\$ 4,962,661,511	\$ 17,640,685

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	Manage My Home Inc.	MetaScale LLC	Quality Assurance Laboratory Limited	S.F.P.R., Inc.
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 47,292	\$ -
Account receivables	-	-	190,074	-
Due from affiliated entities	11,619	-	1,049,061	-
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	-	630,349	6,640	-
Total current assets	11,619	630,349	1,293,067	-
Total property and equipment, net	-	-	151,380	-
Investment in affiliated entities	-	-	-	-
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	-	-	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	-	-	27,749	-
TOTAL ASSETS	\$ 11,619	\$ 630,349	\$ 1,472,196	\$ -
LIABILITIES				
Current liabilities				
Due to affiliated entities	\$ -	\$ 4,549,976	\$ -	\$ 721,406
Merchandise payables	-	-	-	-
Other current liabilities	7,170	-	69,832	-
Unearned revenues	-	-	-	-
Other taxes	-	-	-	194,224
Total current liabilities	7,170	4,549,976	69,832	915,630
Pension and postretirement benefits	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	-	-	-
Total Liabilities	7,170	4,549,976	69,832	915,630
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/				
Affiliated companies equity	1	-	129	-
Retained earnings (deficit)	4,448	(3,919,627)	1,402,235	(915,630)
Accumulated other comprehensive income	-	-	-	-
Total Equity	4,449	(3,919,627)	1,402,364	(915,630)
TOTAL LIABILITIES AND EQUITY	\$ 11,619	\$ 630,349	\$ 1,472,196	\$ -

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	Sears Authorized Independent Auto Centers LLC	Sears Canada Holdings Corp.	Sears Financial Holding Corporation
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Account receivables	-	-	-
Due from affiliated entities	688,817	9,027,081	3,164,902,204
Affiliated entities other assets	-	-	-
Prepaid expenses and other current assets	159	-	-
Total current assets	688,976	9,027,081	3,164,902,204
Total property and equipment, net	-	-	-
Investment in affiliated entities	-	-	-
Affiliated entities investment in instruments	-	-	68,381,047
Affiliated entities notes receivable	-	937,192,822	20,308,029,692
Affiliated entities other long term assets	-	-	-
Tradenames and other intangible assets	-	-	-
Other assets	-	18,642,440	-
TOTAL ASSETS	\$ 688,976	\$ 964,862,343	\$ 23,541,312,943
LIABILITIES			
Current liabilities			
Due to affiliated entities	\$ -	\$ -	\$ -
Merchandise payables	1,338	-	-
Other current liabilities	-	8,209,764	110,380,085
Unearned revenues	-	-	-
Other taxes	-	-	-
Total current liabilities	1,338	8,209,764	110,380,085
Pension and postretirement benefits	-	-	-
Unearned revenues	-	-	-
Affiliated entities unearned revenue	-	-	-
Affiliated entities long term debt	-	-	-
Affiliated entities note payable	-	-	-
Long term deferred tax liabilities	1	-	142,542,797
Total Liabilities	1,339	8,209,764	252,922,882
EQUITY			
Sears Holdings Corporation equity:			
Capital in excess of par value/			
Affiliated companies equity	151,000	(390,757,407)	6,429,136,140
Retained earnings (deficit)	536,637	1,347,409,986	16,859,253,921
Accumulated other comprehensive income	-	-	-
Total Equity	687,637	956,652,579	23,288,390,061
TOTAL LIABILITIES AND EQUITY	\$ 688,976	\$ 964,862,343	\$ 23,541,312,943

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	Sears Global Technology Services LLC	Sears Holdings Global Sourcing Limited	Sears Holdings Mauritius Holding Company	Sears International Holdings Corp.
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,082,719	\$ 717,781	\$ 33,857	\$ -
Account receivables	-	705,028	-	-
Due from affiliated entities	-	-	-	-
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	65,609	809,033	17,180	18
Total current assets	3,148,328	2,231,842	51,037	18
Total property and equipment, net	5,592	920,397	-	-
Investment in affiliated entities	(182,881)	-	787,075	235,708,282
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	34,056,452	-	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	-	242,227	-	-
TOTAL ASSETS	\$ 2,971,039	\$ 37,450,918	\$ 838,112	\$ 235,708,300
LIABILITIES				
Current liabilities				
Due to affiliated entities	\$ 1,400,383	\$ 897,224	\$ 41,329	\$ 28,035,077
Merchandise payables	-	-	-	-
Other current liabilities	474,670	2,912,495	-	-
Unearned revenues	-	-	-	-
Other taxes	-	-	-	-
Total current liabilities	1,875,053	3,809,719	41,329	28,035,077
Pension and postretirement benefits	-	3,296,518	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	-	-	1
Total Liabilities	1,875,053	7,106,237	41,329	28,035,078
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/				
Affiliated companies equity	50,000	15,643,340	803,570	211,780,010
Retained earnings (deficit)	1,045,986	14,701,341	(6,787)	(4,106,788)
Accumulated other comprehensive income	-	-	-	-
Total Equity	1,095,986	30,344,681	796,783	207,673,222
TOTAL LIABILITIES AND EQUITY	\$ 2,971,039	\$ 37,450,918	\$ 838,112	\$ 235,708,300

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	Sears IT & Management Services India Private Limited	Sears Mexico Holdings Corp.	Sears Reinsurance Company Ltd.	Sears Shop at Home Services, Inc.
ASSETS				
Current assets				
Cash and cash equivalents	\$ 10,468,445	\$ -	\$ 1,777,279	\$ -
Account receivables	5,348,123	-	5,362,499	(1)
Due from affiliated entities	21,530,500	68,726,856	-	51,764,106
Affiliated entities other assets	-	-	190,855,555	-
Prepaid expenses and other current assets	16,066,673	-	21,546	1,084
Total current assets	53,413,741	68,726,856	198,016,879	51,765,189
Total property and equipment, net	1,404,938	-	-	-
Investment in affiliated entities	-	-	-	-
Affiliated entities investment in instruments	-	-	2,138,723,977	-
Affiliated entities notes receivable	-	-	31,802,716	-
Affiliated entities other long term assets	-	-	178,250,978	-
Tradenames and other intangible assets	-	-	-	-
Other assets	1,510,005	8,546,417	126,829,893	-
TOTAL ASSETS	\$ 56,328,684	\$ 77,273,273	\$ 2,673,624,443	\$ 51,765,189
LIABILITIES				
Current liabilities				
Due to affiliated entities	\$ -	\$ -	\$ 656,927,328	\$ -
Merchandise payables	-	-	-	-
Other current liabilities	8,460,412	112,841	238,359,049	21
Unearned revenues	-	-	489,614,414	-
Other taxes	9,602,418	-	-	-
Total current liabilities	18,062,830	112,841	1,384,900,791	21
Pension and postretirement benefits	-	-	-	-
Unearned revenues	-	-	433,154,661	-
Affiliated entities unearned revenue	-	-	407,790	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	1,773,886	-	-
Total Liabilities	18,062,830	1,886,727	1,818,463,242	21
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	828,500	15,544,750	1,252,839,284	1,000
Retained earnings (deficit)	40,051,131	59,841,796	(397,678,083)	51,764,168
Accumulated other comprehensive income	(2,613,777)	-	-	-
Total Equity	38,265,854	75,386,546	855,161,201	51,765,168
TOTAL LIABILITIES AND EQUITY	\$ 56,328,684	\$ 77,273,273	\$ 2,673,624,443	\$ 51,765,189

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	Sears Global Technologies India Private Limited	SHC Charitable Promotions LLC	SHC Financial, LLC	SHC Israel Ltd.
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,258,794	\$ -	\$ -	\$ 11,589,330
Account receivables	418,938	-	-	-
Due from affiliated entities	-	-	202	-
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	1,992,857	-	-	666,803
Total current assets	3,670,589	-	202	12,256,133
Total property and equipment, net	63,801	-	-	15,410,940
Investment in affiliated entities	-	-	-	-
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	-	-	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	3,312	-	-	347,710
TOTAL ASSETS	\$ 3,737,702	\$ -	\$ 202	\$ 28,014,783
LIABILITIES				
Current liabilities				
Due to affiliated entities	\$ 330,926	\$ 5,762	\$ -	\$ 3,595,092
Merchandise payables	-	-	-	184,399
Other current liabilities	668,405	-	-	3,218,347
Unearned revenues	-	-	-	-
Other taxes	1,259,163	-	-	-
Total current liabilities	2,258,494	5,762	-	6,997,838
Pension and postretirement benefits	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	-	-	-
Total Liabilities	2,258,494	5,762	-	6,997,838
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/				
Affiliated companies equity	1,596	-	-	343,265
Retained earnings (deficit)	1,455,968	(5,762)	202	18,827,741
Accumulated other comprehensive income	21,644	-	-	1,845,939
Total Equity	1,479,208	(5,762)	202	21,016,945
TOTAL LIABILITIES AND EQUITY	\$ 3,737,702	\$ -	\$ 202	\$ 28,014,783

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	SHMC Beverly Group LLC	Shop Your Way, Inc.	SRC Facilities Statutory Trust (a)
ASSETS			
Current assets			
Cash and cash equivalents	\$ 260,198	\$ -	\$ -
Account receivables	-	-	-
Due from affiliated entities	-	-	49
Affiliated entities other assets	-	-	-
Prepaid expenses and other current assets	16	1,414,142	-
Total current assets	260,214	1,414,142	49
Total property and equipment, net	-	-	468,877,501
Investment in affiliated entities	232,881	-	32,800
Affiliated entities investment in instruments	-	-	-
Affiliated entities notes receivable	-	-	312,913,071
Affiliated entities other long term assets	-	-	-
Tradenames and other intangible assets	-	-	-
Other assets	-	-	-
TOTAL ASSETS	\$ 493,095	\$ 1,414,142	\$ 781,823,421
LIABILITIES			
Current liabilities			
Due to affiliated entities	\$ -	\$ 4,841,410	\$ -
Merchandise payables	-	-	-
Other current liabilities	-	-	-
Unearned revenues	-	-	-
Other taxes	-	-	-
Total current liabilities	-	4,841,410	-
Pension and postretirement benefits	-	-	-
Unearned revenues	-	-	-
Affiliated entities unearned revenue	-	-	-
Affiliated entities long term debt	-	-	-
Affiliated entities note payable	-	-	-
Long term deferred tax liabilities	-	(1)	-
Total Liabilities	-	4,841,409	-
EQUITY			
Sears Holdings Corporation equity:			
Capital in excess of par value/ Affiliated companies equity	-	-	916,281,357
Retained earnings (deficit)	493,095	(3,427,267)	(134,457,936)
Accumulated other comprehensive income	-	-	-
Total Equity	493,095	(3,427,267)	781,823,421
TOTAL LIABILITIES AND EQUITY	\$ 493,095	\$ 1,414,142	\$ 781,823,421

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, et al.

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of February 3, 2018

(Unaudited)

(in US Dollars)

	SRC O.P. Corporation (a)	SRC Real Estate (TX), LP (a)	SRC Depositor Corporation (a)
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Account receivables	-	-	-
Due from affiliated entities	-	-	126,481,206
Affiliated entities other assets	-	-	-
Prepaid expenses and other current assets	-	-	-
Total current assets	-	-	126,481,206
Total property and equipment, net	-	90,162,547	-
Investment in affiliated entities	1,117,202,958	-	-
Affiliated entities investment in instruments	-	-	1,160,049,521
Affiliated entities notes receivable	-	73,761,698	1,331,621,555
Affiliated entities other long term assets	-	-	-
Tradenames and other intangible assets	-	-	-
Other assets	-	-	-
TOTAL ASSETS	\$ 1,117,202,958	\$ 163,924,245	\$ 2,618,152,282
LIABILITIES			
Current liabilities			
Due to affiliated entities	\$ 56,258,792	\$ 17	\$ -
Merchandise payables	-	1	-
Other current liabilities	11,538,151	-	32,076,895
Unearned revenues	-	-	-
Other taxes	-	-	-
Total current liabilities	67,796,943	18	32,076,895
Pension and postretirement benefits	-	-	-
Unearned revenues	-	-	-
Affiliated entities unearned revenue	-	-	-
Affiliated entities long term debt	-	-	1,307,218,568
Affiliated entities note payable	-	-	-
Long term deferred tax liabilities	40,616,015	-	-
Total Liabilities	108,412,958	18	1,339,295,463
EQUITY			
Sears Holdings Corporation equity:			
Capital in excess of par value/			
Affiliated companies equity	1,091,646,088	200,954,401	1,150,665,993
Retained earnings (deficit)	(82,856,088)	(37,030,174)	128,190,826
Accumulated other comprehensive income	-	-	-
Total Equity	1,008,790,000	163,924,227	1,278,856,819
TOTAL LIABILITIES AND EQUITY	\$ 1,117,202,958	\$ 163,924,245	\$ 2,618,152,282

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	Bub, LLC	International Sourcing & Logistics Limited	KCD IP, LLC	Kmart Overseas Corporation
REVENUES				
Services and Other	\$ 96,544	\$ -	\$ 373,025,931	\$ -
TOTAL REVENUES	96,544	-	373,025,931	-
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	143,694	-	-
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	143,694	-	-
Selling and Administrative	-	3	612,055	-
Depreciation and Amortization	-	-	-	-
Gain on Sales of Assets	-	-	-	-
Total Costs and Expenses	-	143,697	612,055	-
Operating Income (Loss)	96,544	(143,697)	372,413,876	-
Interest Expense	-	-	44,965,898	1,187
Interest and Investment Income (Loss)	-	-	3,673	-
Other Income (Loss)	-	-	-	-
Income (Loss) Before Income Taxes	96,544	(143,697)	327,444,305	(1,187)
Income Tax (Expense) Benefit	(32,552)	23,710	(219,532,726)	417
NET INCOME (LOSS)	\$ 63,992	\$ (119,987)	\$ 107,911,579	\$ (770)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	Manage My Home Inc.	MetaScale LLC	Quality Assurance Laboratory Limited	S.F.P.R., Inc.
REVENUES				
Services and Other	\$ -	\$ -	\$ 1,029,001	\$ -
TOTAL REVENUES	-	-	1,029,001	-
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	-	-	-
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-	-
Selling and Administrative	1,050	1,869,528	-	180,135
Depreciation and Amortization	-	-	97,740	-
Gain on Sales of Assets	-	-	-	-
Total Costs and Expenses	1,050	1,869,528	97,740	180,135
Operating Income (Loss)	(1,050)	(1,869,528)	931,261	(180,135)
Interest Expense	-	-	-	-
Interest and Investment Income (Loss)	-	-	-	-
Other Income (Loss)	-	-	-	-
Income (Loss) Before Income Taxes	(1,050)	(1,869,528)	931,261	(180,135)
Income Tax (Expense) Benefit	-	630,349	(182,790)	-
NET INCOME (LOSS)	\$ (1,050)	\$ (1,239,179)	\$ 748,471	\$ (180,135)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	Sears Authorized Independent Auto Centers LLC	Sears Canada Holdings Corp.	Sears Financial Holding Corporation
REVENUES			
Services and Other	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	17,336
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	17,336
Selling and Administrative	-	193,612	54,027
Depreciation and Amortization	-	-	-
Gain on Sales of Assets	-	-	-
Total Costs and Expenses	-	193,612	71,363
Operating Income (Loss)	-	(193,612)	(71,363)
Interest Expense	-	-	-
Interest and Investment Income (Loss)	-	(1,205,499)	(320,950,792)
Other Income (Loss)	-	-	-
Income (Loss) Before Income Taxes	-	1,011,887	320,879,429
Income Tax (Expense) Benefit	160	8,821,111	(141,374,486)
NET INCOME (LOSS)	\$ 160	\$ 9,832,998	\$ 179,504,943

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	Sears Global Technology Services LLC	Sears Holdings Global Sourcing Limited	Sears Holdings Mauritius Holding Company
REVENUES			
Services and Other	\$ -	\$ 46,623,468	\$ -
TOTAL REVENUES	-	46,623,468	-
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-
Selling and Administrative	57,773	18	30,431
Depreciation and Amortization	1,333	578,878	-
Gain on Sales of Assets	-	-	-
Total Costs and Expenses	59,106	578,896	30,431
Operating Income (Loss)	(59,106)	46,044,572	(30,431)
Interest Expense	-	-	-
Interest and Investment Income (Loss)	-	(1,489)	-
Other Income (Loss)	(197,954)	-	-
Income (Loss) Before Income Taxes	(257,060)	46,046,061	(30,431)
Income Tax (Expense) Benefit	281,944	(8,100,966)	-
NET INCOME (LOSS)	\$ 24,884	\$ 37,945,095	\$ (30,431)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	Sears International Holdings Corp.	Sears IT & Management Services India Private Limited	Sears Mexico Holdings Corp.
REVENUES			
Services and Other	\$ -	\$ 29,911,502	\$ -
TOTAL REVENUES	-	29,911,502	-
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	2	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	2	-
Selling and Administrative	-	-	-
Depreciation and Amortization	-	1,180,865	-
Gain on Sales of Assets	-	-	-
Total Costs and Expenses	-	1,180,867	-
Operating Income (Loss)	-	28,730,635	-
Interest Expense	-	-	-
Interest and Investment Income (Loss)	-	(454,457)	(1,119,450)
Other Income (Loss)	-	197,954	-
Income (Loss) Before Income Taxes	-	29,383,046	1,119,450
Income Tax (Expense) Benefit	18	(2,843,770)	795,076
NET INCOME (LOSS)	\$ 18	\$ 26,539,276	\$ 1,914,526

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	Sears Reinsurance Company Ltd.	Sears Shop at Home Services, Inc.	Sears Global Technologies India Private Limited
REVENUES			
Services and Other	\$ 467,523,414	\$ -	\$ 735,915
TOTAL REVENUES	467,523,414	-	735,915
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	811	6
Cost of Sales and Occupancy			
- Services and Other	33,166	-	-
Total Cost of Sales, Buying and Occupancy	33,166	811	6
Selling and Administrative	369,480,776	217	-
Depreciation and Amortization	-	-	76,573
Gain on Sales of Assets	-	-	-
Total Costs and Expenses	369,513,942	1,028	76,579
Operating Income (Loss)	98,009,472	(1,028)	659,336
Interest Expense	-	-	-
Interest and Investment Income (Loss)	(1,069,746)	-	(49,436)
Other Income (Loss)	-	-	-
Income (Loss) Before Income Taxes	99,079,218	(1,028)	708,772
Income Tax (Expense) Benefit	(115,728,263)	1,089	(664,650)
NET INCOME (LOSS)	\$ (16,649,045)	\$ 61	\$ 44,122

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	SHC Charitable Promotions LLC	SHC Financial, LLC	SHC Israel Ltd.
REVENUES			
Services and Other	\$ -	\$ -	\$ 7,836,043
TOTAL REVENUES	-	-	7,836,043
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-
Selling and Administrative	-	-	-
Depreciation and Amortization	-	-	7,629,254
Gain on Sales of Assets	-	-	-
Total Costs and Expenses	-	-	7,629,254
Operating Income (Loss)	-	-	206,789
Interest Expense	-	-	-
Interest and Investment Income (Loss)	-	-	76,153
Other Income (Loss)	-	-	-
Income (Loss) Before Income Taxes	-	-	130,636
Income Tax (Expense) Benefit	-	-	(23,987)
NET INCOME (LOSS)	\$ -	\$ -	\$ 106,649

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	SHMC Beverly Group LLC	Shop Your Way, Inc.	SRC Facilities Statutory Trust (a)
REVENUES			
Services and Other	\$ -	\$ -	\$ 65,237,487
TOTAL REVENUES	-	-	65,237,487
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-
Selling and Administrative	46	4,191,594	-
Depreciation and Amortization	-	-	28,027,143
Gain on Sales of Assets	-	-	(8,372,235)
Total Costs and Expenses	46	4,191,594	19,654,908
Operating Income (Loss)	(46)	(4,191,594)	45,582,579
Interest Expense	-	-	-
Interest and Investment Income (Loss)	-	-	50,973,795
Other Income (Loss)	-	-	-
Income (Loss) Before Income Taxes	(46)	(4,191,594)	(5,391,216)
Income Tax (Expense) Benefit	(1,359)	1,415,017	-
NET INCOME (LOSS)	\$ (1,405)	\$ (2,776,577)	\$ (5,391,216)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Fiscal Year Ended February 3, 2018

(Unaudited)

(in US Dollars)

	SRC O.P. Corporation (a)	SRC Real Estate (TX), LP (a)	SRC Depositor Corporation (a)
REVENUES			
Services and Other	\$ -	\$ 15,927,540	\$ -
TOTAL REVENUES	-	15,927,540	-
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-
Selling and Administrative	100	-	328,104
Depreciation and Amortization	-	8,809,189	-
Gain on Sales of Assets	-	-	-
Total Costs and Expenses	100	8,809,189	328,104
Operating Income (Loss)	(100)	7,118,351	(328,104)
Interest Expense	-	-	(94,640,532)
Interest and Investment Income (Loss)	-	12,361,746	(589,488)
Other Income (Loss)	-	-	-
Income (Loss) Before Income Taxes	(100)	(5,243,395)	94,901,916
Income Tax (Expense) Benefit	54,162,335	-	(31,999,427)
NET INCOME (LOSS)	\$ 54,162,235	\$ (5,243,395)	\$ 62,902,489

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

Debtor Name Sears Holdings Corporation, et al.

Case number 18-23538 (RDD)

Exhibit A-2: Balance Sheet and Statement of Income (Loss) for the Nine Months Ended November 3, 2018

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	Bub, LLC	International Sourcing & Logistics Limited	KCD IP, LLC	Kmart Overseas Corporation
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 221,743	\$ -	\$ -
Account receivables	-	-	-	-
Due from affiliated entities	-	1,127,424	-	2,011,141
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	-	-	-	-
Total current assets	-	1,349,167	-	2,011,141
Total property and equipment, net	-	-	-	-
Investment in affiliated entities	-	-	-	15,629,544
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	-	4,406,769,711	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	487,277,000	-
Other assets	-	-	-	-
TOTAL ASSETS	\$ -	\$ 1,349,167	\$ 4,894,046,711	\$ 17,640,685
LIABILITIES				
Current liabilities				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	-	-	-
Due to affiliated entities	262,530	-	346,469,832	-
Merchandise payables	-	-	-	-
Other current liabilities	32,552	1,942,421	416,991,467	19,058
Unearned revenues	-	-	-	-
Other taxes	-	-	-	-
Total current liabilities	295,082	1,942,421	763,461,299	19,058
Long term debt and capitalized lease obligations	-	-	-	-
Pension and postretirement benefits	-	-	-	-
Sale-leaseback financing obligation	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	900,000,000	-
Affiliated entities note payable	-	-	-	23,260
Long term deferred tax liabilities	-	-	179,389,097	-
Total Liabilities	295,082	1,942,421	1,842,850,396	42,318
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	-	129	1,001,200,000	15,615,491
Retained earnings (deficit)	(295,082)	(593,383)	2,049,996,315	1,982,876
Accumulated other comprehensive income	-	-	-	-
Total Equity	(295,082)	(593,254)	3,051,196,315	17,598,367
TOTAL LIABILITIES AND EQUITY	\$ -	\$ 1,349,167	\$ 4,894,046,711	\$ 17,640,685

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	Manage My Home Inc.	MetaScale LLC	Quality Assurance Laboratory Limited	S.F.P.R., Inc.
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 96,808	\$ -
Account receivables	-	-	98,294	-
Due from affiliated entities	10,669	-	1,519,158	-
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	-	630,349	6,234	-
Total current assets	10,669	630,349	1,720,494	-
Total property and equipment, net	-	-	78,760	-
Investment in affiliated entities	-	-	-	-
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	-	-	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	-	-	28,611	-
TOTAL ASSETS	\$ 10,669	\$ 630,349	\$ 1,827,865	\$ -
LIABILITIES				
Current liabilities				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	-	-	-
Due to affiliated entities	-	5,313,490	-	721,406
Merchandise payables	-	-	-	-
Other current liabilities	7,170	-	125,727	-
Unearned revenues	-	-	-	-
Other taxes	-	-	-	335,100
Total current liabilities	7,170	5,313,490	125,727	1,056,506
Long term debt and capitalized lease obligations	-	-	-	-
Pension and postretirement benefits	-	-	-	-
Sale-leaseback financing obligation	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	-	-	-
Total Liabilities	7,170	5,313,490	125,727	1,056,506
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	1	-	129	-
Retained earnings (deficit)	3,498	(4,683,141)	1,702,009	(1,056,506)
Accumulated other comprehensive income	-	-	-	-
Total Equity	3,499	(4,683,141)	1,702,138	(1,056,506)
TOTAL LIABILITIES AND EQUITY	\$ 10,669	\$ 630,349	\$ 1,827,865	\$ -

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	Sears Authorized Independent Auto Centers LLC	Sears Canada Holdings Corp.	Sears Financial Holding Corporation	Sears Global Technology Services LLC
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,533,771
Account receivables	-	-	-	27,729
Due from affiliated entities	687,987	27,835,649	4,248,054,106	-
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	159	-	-	66,539
Total current assets	688,146	27,835,649	4,248,054,106	2,628,039
Total property and equipment, net	-	-	18,155,611	4,409
Investment in affiliated entities	-	-	-	(182,881)
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	937,192,822	20,245,311,506	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	-	18,642,440	-	-
TOTAL ASSETS	\$ 688,146	\$ 983,670,911	\$ 24,511,521,223	\$ 2,449,567
LIABILITIES				
Current liabilities				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	-	-	-
Due to affiliated entities	-	-	-	1,366,147
Merchandise payables	508	-	-	-
Other current liabilities	-	14,920,792	110,380,085	10,209
Unearned revenues	-	-	-	-
Other taxes	-	-	-	-
Total current liabilities	508	14,920,792	110,380,085	1,376,356
Long term debt and capitalized lease obligations	-	-	-	-
Pension and postretirement benefits	-	-	-	-
Sale-leaseback financing obligation	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	31,099,447	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	1	-	152,221,696	-
Total Liabilities	509	14,920,792	293,701,228	1,376,356
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	151,000	(390,757,407)	6,429,136,140	50,000
Retained earnings (deficit)	536,637	1,359,507,526	17,788,683,855	1,023,211
Accumulated other comprehensive income	-	-	-	-
Total Equity	687,637	968,750,119	24,217,819,995	1,073,211
TOTAL LIABILITIES AND EQUITY	\$ 688,146	\$ 983,670,911	\$ 24,511,521,223	\$ 2,449,567

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	Sears Holdings Global Sourcing Limited	Sears Holdings Mauritius Holding Company	Sears International Holdings Corp.	Sears IT & Management Services India Private Limited
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,685,255	\$ 43,414	\$ -	\$ 9,827,949
Account receivables	1,488,563	-	-	3,286,506
Due from affiliated entities	-	-	-	21,496,377
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	586,633	17,180	18	11,980,036
Total current assets	5,760,451	60,594	18	46,590,868
Total property and equipment, net	528,237	-	-	632,117
Investment in affiliated entities	-	787,075	235,708,282	-
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	58,927,228	-	-	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	281,566	-	-	1,350,401
TOTAL ASSETS	\$ 65,497,482	\$ 847,669	\$ 235,708,300	\$ 48,573,386
LIABILITIES				
Current liabilities				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	-	-	-
Due to affiliated entities	2,007,686	48,154	28,035,077	-
Merchandise payables	-	-	-	-
Other current liabilities	4,662,902	-	-	5,402,303
Unearned revenues	-	-	-	-
Other taxes	-	-	-	6,524,578
Total current liabilities	6,670,588	48,154	28,035,077	11,926,881
Long term debt and capitalized lease obligations	-	-	-	-
Pension and postretirement benefits	1,870,793	-	-	-
Sale-leaseback financing obligation	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	-	1	-
Total Liabilities	8,541,381	48,154	28,035,078	11,926,881
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	15,643,340	803,570	211,780,010	828,500
Retained earnings (deficit)	41,312,761	(4,055)	(4,106,788)	41,060,263
Accumulated other comprehensive income	-	-	-	(5,242,258)
Total Equity	56,956,101	799,515	207,673,222	36,646,505
TOTAL LIABILITIES AND EQUITY	\$ 65,497,482	\$ 847,669	\$ 235,708,300	\$ 48,573,386

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	Sears Mexico Holdings Corp.	Sears Reinsurance Company Ltd.	Sears Shop at Home Services, Inc.	Sears Global Technologies India Private Limited
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 431,734	\$ -	\$ 745,060
Account receivables	-	9,566,913	(1)	196,855
Due from affiliated entities	69,025,989	-	51,763,708	-
Affiliated entities other assets	-	170,914,756	-	-
Prepaid expenses and other current assets	-	167,483	1,084	1,255,210
Total current assets	69,025,989	181,080,886	51,764,791	2,197,125
Total property and equipment, net	-	-	-	25,166
Investment in affiliated entities	-	-	-	-
Affiliated entities investment in instruments	-	1,066,757,609	-	-
Affiliated entities notes receivable	-	80,218,422	-	-
Affiliated entities other long term assets	-	154,671,005	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	9,059,201	133,101,585	-	2,869
TOTAL ASSETS	\$ 78,085,190	\$ 1,615,829,507	\$ 51,764,791	\$ 2,225,160
LIABILITIES				
Current liabilities				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	-	-	-
Due to affiliated entities	-	1,535,505,432	-	330,914
Merchandise payables	-	-	-	-
Other current liabilities	112,841	169,401,694	67	340,236
Unearned revenues	-	436,923,162	-	-
Other taxes	-	-	-	1,051,379
Total current liabilities	112,841	2,141,830,288	67	1,722,529
Long term debt and capitalized lease obligations	-	-	-	-
Pension and postretirement benefits	-	-	-	-
Sale-leaseback financing obligation	-	-	-	-
Unearned revenues	-	377,041,242	-	-
Affiliated entities unearned revenue	-	407,790	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	1,773,886	-	-	-
Total Liabilities	1,886,727	2,519,279,320	67	1,722,529
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	15,544,750	1,252,839,283	1,000	1,596
Retained earnings (deficit)	60,653,713	(2,156,289,096)	51,763,724	742,607
Accumulated other comprehensive income	-	-	-	(241,572)
Total Equity	76,198,463	(903,449,813)	51,764,724	502,631
TOTAL LIABILITIES AND EQUITY	\$ 78,085,190	\$ 1,615,829,507	\$ 51,764,791	\$ 2,225,160

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	SHC Charitable Promotions LLC	SHC Financial, LLC	SHC Israel Ltd.	SHMC Beverly Group LLC
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ 10,820,947	\$ 260,198
Account receivables	-	-	-	-
Due from affiliated entities	-	202	-	-
Affiliated entities other assets	-	-	-	-
Prepaid expenses and other current assets	-	-	1,248,138	16
Total current assets	-	202	12,069,085	260,214
Total property and equipment, net	-	-	14,833,126	-
Investment in affiliated entities	-	-	-	232,881
Affiliated entities investment in instruments	-	-	-	-
Affiliated entities notes receivable	-	-	-	-
Affiliated entities other long term assets	-	-	-	-
Tradenames and other intangible assets	-	-	-	-
Other assets	-	-	-	-
TOTAL ASSETS	\$ -	\$ 202	\$ 26,902,211	\$ 493,095
LIABILITIES				
Current liabilities				
Short-term borrowings	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	-	-	-
Due to affiliated entities	5,762	-	3,632,780	-
Merchandise payables	-	-	150,400	-
Other current liabilities	-	-	1,787,943	-
Unearned revenues	-	-	-	-
Other taxes	-	-	-	-
Total current liabilities	5,762	-	5,571,123	-
Long term debt and capitalized lease obligations	-	-	-	-
Pension and postretirement benefits	-	-	-	-
Sale-leaseback financing obligation	-	-	-	-
Unearned revenues	-	-	-	-
Affiliated entities unearned revenue	-	-	-	-
Affiliated entities long term debt	-	-	-	-
Affiliated entities note payable	-	-	-	-
Long term deferred tax liabilities	-	-	-	-
Total Liabilities	5,762	-	5,571,123	-
EQUITY				
Sears Holdings Corporation equity:				
Capital in excess of par value/ Affiliated companies equity	-	-	343,265	-
Retained earnings (deficit)	(5,762)	202	19,527,064	493,095
Accumulated other comprehensive income	-	-	1,460,759	-
Total Equity	(5,762)	202	21,331,088	493,095
TOTAL LIABILITIES AND EQUITY	\$ -	\$ 202	\$ 26,902,211	\$ 493,095

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	Shop Your Way, Inc.	SRC Facilities LLC (a)	SRC O.P. LLC (a)
ASSETS			
Current assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Account receivables	-	-	-
Due from affiliated entities	-	169,946,251	-
Affiliated entities other assets	-	-	-
Prepaid expenses and other current assets	1,414,142	-	44,154
Total current assets	1,414,142	169,946,251	44,154
Total property and equipment, net	-	371,686,441	-
Investment in affiliated entities	-	32,800	1,126,067,264
Affiliated entities investment in instruments	-	-	-
Affiliated entities notes receivable	-	37,043,056	627,933,525
Affiliated entities other long term assets	-	-	-
Tradenames and other intangible assets	-	-	-
Other assets	-	-	-
TOTAL ASSETS	\$ 1,414,142	\$ 578,708,548	\$ 1,754,044,943
LIABILITIES			
Current liabilities			
Short-term borrowings	\$ -	\$ -	\$ 98,019,708
Current portion of long-term debt and capitalized lease obligations	-	-	-
Due to affiliated entities	7,318,881	-	581,391,869
Merchandise payables	-	-	-
Other current liabilities	95,000	5,430	8,117,719
Unearned revenues	-	-	-
Other taxes	-	-	-
Total current liabilities	7,413,881	5,430	687,529,296
Long term debt and capitalized lease obligations	-	-	1
Pension and postretirement benefits	-	-	-
Sale-leaseback financing obligation	-	-	-
Unearned revenues	-	-	-
Affiliated entities unearned revenue	-	-	-
Affiliated entities long term debt	-	-	-
Affiliated entities note payable	-	-	-
Long term deferred tax liabilities	(1)	-	40,616,015
Total Liabilities	7,413,880	5,430	728,145,312
EQUITY			
Sears Holdings Corporation equity:			
Capital in excess of par value/ Affiliated companies equity	-	584,480,532	1,126,067,264
Retained earnings (deficit)	(5,999,738)	(5,777,414)	(100,167,633)
Accumulated other comprehensive income	-	-	-
Total Equity	(5,999,738)	578,703,118	1,025,899,631
TOTAL LIABILITIES AND EQUITY	\$ 1,414,142	\$ 578,708,548	\$ 1,754,044,943

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Balance Sheets

For Controlled Non-Debtor Entities

As of November 3, 2018

(Unaudited)

(in US Dollars)

	SRC Real Estate (TX), LLC (a)	SRC Sparrow 1 LLC (a)
ASSETS		
Current assets		
Cash and cash equivalents	\$ -	\$ -
Account receivables	-	-
Due from affiliated entities	68,844,369	470,099,768
Affiliated entities other assets	-	-
Prepaid expenses and other current assets	-	-
Total current assets	68,844,369	470,099,768
Total property and equipment, net	56,914,793	-
Investment in affiliated entities	-	-
Affiliated entities investment in instruments	-	-
Affiliated entities notes receivable	9,235,390	-
Affiliated entities other long term assets	-	-
Tradenames and other intangible assets	-	-
Other assets	-	-
TOTAL ASSETS	\$ 134,994,552	\$ 470,099,768
LIABILITIES		
Current liabilities		
Short-term borrowings	\$ -	\$ -
Current portion of long-term debt and capitalized lease obligations	-	500,936,953
Due to affiliated entities	-	35,192,539
Merchandise payables	-	-
Other current liabilities	-	41,563,775
Unearned revenues	-	-
Other taxes	-	-
Total current liabilities	-	577,693,267
Long term debt and capitalized lease obligations	-	-
Pension and postretirement benefits	-	-
Sale-leaseback financing obligation	11,984,101	-
Unearned revenues	-	-
Affiliated entities unearned revenue	-	-
Affiliated entities long term debt	-	-
Affiliated entities note payable	-	-
Long term deferred tax liabilities	-	-
Total Liabilities	11,984,101	577,693,267
EQUITY		
Sears Holdings Corporation equity:		
Capital in excess of par value/ Affiliated companies equity	162,767,057	(352,397,047)
Retained earnings (deficit)	(39,756,606)	244,803,548
Accumulated other comprehensive income	-	-
Total Equity	123,010,451	(107,593,499)
TOTAL LIABILITIES AND EQUITY	\$ 134,994,552	\$ 470,099,768

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	Bub, LLC	International Sourcing & Logistics Limited	KCD IP, LLC	Kmart Overseas Corporation
REVENUES				
Services and Other	\$ -	\$ 2	\$ 233,734,316	\$ -
TOTAL REVENUES	-	2	233,734,316	-
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	26,200	-	-
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	26,200	-	-
Selling and Administrative	1,902	-	436,182	-
Depreciation and Amortization	-	-	-	-
Impairment Charges	-	-	244,543,000	-
Gain on Sales of Assets	-	-	-	-
Total Costs and Expenses	1,902	26,200	244,979,182	-
Operating Income (Loss)	(1,902)	(26,198)	(11,244,866)	-
Interest Expense	-	-	1,924,585	1,061
Interest and Investment Income (Loss)	-	-	948	-
Income (Loss) Before Income Taxes	(1,902)	(26,198)	(13,170,399)	(1,061)
Income Tax (Expense) Benefit	-	4,323	-	370
NET INCOME (LOSS)	\$ (1,902)	\$ (21,875)	\$ (13,170,399)	\$ (691)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	Manage My Home Inc.	MetaScale LLC	Quality Assurance Laboratory Limited	S.F.P.R., Inc.
REVENUES				
Services and Other	\$ -	\$ -	\$ 430,630	\$ -
TOTAL REVENUES	-	-	430,630	-
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	-	-	-
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-	-
Selling and Administrative	950	763,509	-	140,877
Depreciation and Amortization	-	-	72,618	-
Impairment Charges	-	-	-	-
Gain on Sales of Assets	-	-	-	-
Total Costs and Expenses	950	763,509	72,618	140,877
Operating Income (Loss)	(950)	(763,509)	358,012	(140,877)
Interest Expense	-	-	-	-
Interest and Investment Income (Loss)	-	-	-	-
Income (Loss) Before Income Taxes	(950)	(763,509)	358,012	(140,877)
Income Tax (Expense) Benefit	-	-	(58,236)	-
NET INCOME (LOSS)	\$ (950)	\$ (763,509)	\$ 299,776	\$ (140,877)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

In re: Sears Holdings Corporation, *et al.*

Case No.: 18-23538 (RDD)

Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	Sears Authorized Independent Auto Centers LLC		Sears Canada Holdings Corp.	Sears Financial Holding Corporation
REVENUES				
Services and Other	\$	-	\$	-
TOTAL REVENUES		-	-	1,893,571
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales		-	-	-
Cost of Sales and Occupancy				
- Services and Other		-	-	-
Total Cost of Sales, Buying and Occupancy		-	-	-
Selling and Administrative		-	365,798	40,481
Depreciation and Amortization		-	-	-
Impairment Charges		-	-	(43,200,000)
Gain on Sales of Assets		-	-	38,016,985
Total Costs and Expenses		-	365,798	(5,142,534)
Operating Income (Loss)		-	(365,798)	7,036,105
Interest Expense		-	-	-
Interest and Investment Income (Loss)		-	(19,174,367)	(116,112,771)
Income (Loss) Before Income Taxes		-	18,808,569	123,148,876
Income Tax (Expense) Benefit		-	(6,711,029)	-
NET INCOME (LOSS)	\$	-	\$ 12,097,540	\$ 123,148,876

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

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Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	Sears Global Technology Services LLC	Sears Holdings Global Sourcing Limited	Sears Holdings Mauritius Holding Company	Sears International Holdings Corp.
REVENUES				
Services and Other	\$ -	\$ 32,466,292	\$ -	\$ -
TOTAL REVENUES	-	32,466,292	-	-
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	-	-	-
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-	-
Selling and Administrative	21,593	-	36,040	-
Depreciation and Amortization	1,189	419,999	-	-
Impairment Charges	-	-	-	-
Gain on Sales of Assets	-	(12,194)	-	-
Total Costs and Expenses	22,782	407,805	36,040	-
Operating Income (Loss)	(22,782)	32,058,487	(36,040)	-
Interest Expense	-	-	-	-
Interest and Investment Income (Loss)	-	(901)	-	-
Income (Loss) Before Income Taxes	(22,782)	32,059,388	(36,040)	-
Income Tax (Expense) Benefit	-	(5,447,985)	-	-
NET INCOME (LOSS)	\$ (22,782)	\$ 26,611,403	\$ (36,040)	\$ -

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

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Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	Sears IT & Management Services India Private Limited	Sears Mexico Holdings Corp.	Sears Reinsurance Company Ltd.	Sears Shop at Home Services, Inc.
REVENUES				
Services and Other	\$ 6,042,817	\$ -	\$ 318,569,680	\$ -
TOTAL REVENUES	6,042,817	-	318,569,680	-
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	-	-	429
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-	429
Selling and Administrative	-	-	279,641,683	19
Depreciation and Amortization	769,882	-	-	-
Impairment Charges	-	-	-	-
Gain on Sales of Assets	-	-	-	-
Total Costs and Expenses	769,882	-	279,641,683	448
Operating Income (Loss)	5,272,935	-	38,927,997	(448)
Interest Expense	-	-	-	-
Interest and Investment Income (Loss)	(354,901)	(811,917)	843,764,615	-
Income (Loss) Before Income Taxes	5,627,836	811,917	(804,836,618)	(448)
Income Tax (Expense) Benefit	(998,210)	-	(57,786,914)	-
NET INCOME (LOSS)	\$ 4,629,626	\$ 811,917	\$ (862,623,532)	\$ (448)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

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Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	Sears Global Technologies India Private Limited	SHC Charitable Promotions LLC	SHC Financial, LLC	SHC Israel Ltd.
REVENUES				
Services and Other	\$ 345,934	\$ -	\$ -	\$ 6,600,935
TOTAL REVENUES	345,934	-	-	6,600,935
COSTS AND EXPENSES				
Cost of Sales, Buying and Occupancy				
- Merchandise Sales	-	-	-	-
Cost of Sales and Occupancy				
- Services and Other	-	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-	-
Selling and Administrative	-	-	-	-
Depreciation and Amortization	32,557	-	-	5,662,570
Impairment Charges	-	-	-	-
Gain on Sales of Assets	-	-	-	-
Total Costs and Expenses	32,557	-	-	5,662,570
Operating Income (Loss)	313,377	-	-	938,365
Interest Expense	-	-	-	-
Interest and Investment Income (Loss)	(78,989)	-	-	(26)
Income (Loss) Before Income Taxes	392,366	-	-	938,391
Income Tax (Expense) Benefit	(297,869)	-	-	(239,061)
NET INCOME (LOSS)	\$ 94,497	\$ -	\$ -	\$ 699,330

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

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Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	SHMC Beverly Group LLC	Shop Your Way, Inc.	SRC Facilities LLC (a)
REVENUES			
Services and Other	\$ -	\$ -	\$ 46,289,473
TOTAL REVENUES	-	-	46,289,473
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-
Selling and Administrative	-	2,572,478	-
Depreciation and Amortization	-	-	18,076,598
Impairment Charges	-	-	12,398,649
Gain on Sales of Assets	-	-	(59,686,994)
Total Costs and Expenses	-	2,572,478	(29,211,747)
Operating Income (Loss)	-	(2,572,478)	75,501,220
Interest Expense	-	-	-
Interest and Investment Income (Loss)	-	-	5,637,234
Income (Loss) Before Income Taxes	-	(2,572,478)	69,863,986
Income Tax (Expense) Benefit	-	-	-
NET INCOME (LOSS)	\$ -	\$ (2,572,478)	\$ 69,863,986

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

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Statement of Income (Loss)

For Controlled Non-Debtor Entities

For the Nine Months Ended November 3, 2018

(Unaudited)

(in US Dollars)

	SRC O.P. LLC (a)	SRC Real Estate (TX), LLC (a)	SRC Sparrow 1 LLC (a)
REVENUES			
Services and Other	\$ 1,665,707	\$ 9,758,328	\$ -
TOTAL REVENUES	1,665,707	9,758,328	-
COSTS AND EXPENSES			
Cost of Sales, Buying and Occupancy			
- Merchandise Sales	-	-	-
Cost of Sales and Occupancy			
- Services and Other	-	-	-
Total Cost of Sales, Buying and Occupancy	-	-	-
Selling and Administrative	-	-	39,934
Depreciation and Amortization	-	5,817,953	-
Impairment Charges	-	-	-
Gain on Sales of Assets	-	(53,552,708)	-
Total Costs and Expenses	-	(47,734,755)	39,934
Operating Income (Loss)	1,665,707	57,493,083	(39,934)
Interest Expense	-	-	-
Interest and Investment Income (Loss)	18,977,252	1,402,994	28,917,835
Income (Loss) Before Income Taxes	(17,311,545)	56,090,089	(28,957,769)
Income Tax (Expense) Benefit	-	-	-
NET INCOME (LOSS)	\$ (17,311,545)	\$ 56,090,089	\$ (28,957,769)

Footnote(s):

- (a) See General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

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Exhibit A-3: Statement of Cash Flows

Not applicable. See General Notes.

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Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*)

Not applicable. See General Notes.

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Exhibit B: Description of Operations

Exhibit B

Description of Operations for Controlled Non-Debtor Entities

Name of Controlled Non-Debtor Entity	Description of Operations
Big Beaver Development Corporation	Partner in real estate development joint ventures.
Naples Joint Venture	Real estate development joint venture; minimal operations.
Red Road Joint Venture	Real estate development joint venture; minimal operations.
Kmart Corporation of Illinois, Inc.	Dormant entity which did not have operations assigned to it.
Kmart International Services, Inc.	Dormant entity which accounted for expatriate employees, but has not been active since the merger of Sears and Kmart.
Kmart Overseas Corporation	Holding company for investment in Sears Holdings Global Sourcing Limited (Hong Kong).
Sears Holdings Global Sourcing Limited	Hong Kong company that provides buying services for affiliates of Sears Holdings Corporation.
International Sourcing & Logistics Limited	Hong Kong company that provides sourcing services for third party customers.
Quality Assurance Laboratory Limited	Hong Kong company that provides laboratory testing services to vendors.
Sears Sourcing India Private Limited (Non-Debtor Kmart Overseas Corporation owns 95.34%)	India company that provides sourcing services for affiliates of Sears Holdings Corporation.
S.F.P.R., Inc.	Puerto Rico subsidiary which owns a parcel of land.
Troy Coolidge No. 1, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 2, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 4, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 5, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 7, LLC	This entity owns real estate.
Troy Coolidge No. 10, LLC	This entity owns real estate.
Troy Coolidge No. 12, LLC	This entity owns real estate.

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Troy Coolidge No. 14, LLC	Dormant entity which properties were transferred and currently in SRC Facilities LLC.
Troy Coolidge No. 15, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 17, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 18, LLC	This entity owns real estate.
Troy Coolidge No. 22, LLC	This entity owns real estate.
Troy Coolidge No. 30, LLC	This entity owns real estate.
Troy Coolidge No. 32, LLC	This entity owns real estate.
Troy Coolidge No. 42, LLC	This entity owns real estate.
Troy Coolidge No. 46, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Troy Coolidge No. 50, LLC	Dormant entity which properties were transferred and currently in SRC Facilities LLC.
Troy Coolidge No. 53, LLC	This entity owns real estate.
Troy Coolidge No. 62, LLC	Dormant entity previously utilized for various Kmart real estate holdings/acquisitions.
Kmart Operations of Michigan LLC	Dormant entity which held the liquor license for Seritage owned Kmart stores in Michigan. This entity is dormant, as all Seritage owned Kmart stores in Michigan were closed.
Shop Your Way, Inc.	Dormant entity.
KCD IP, LLC	IP holding company for Kenmore and Diehard trademarks and licenses to Sears Holdings and affiliates.
Sears International (Barbados), Inc.	Dormant entity which ceased as a foreign sales corporation.
Sears Authorized Independent Auto Centers LLC	Dormant entity which was established for auto center franchises and does not have operations running through it.
Manage My Home Inc.	Canadian company purchased for IP. Dormant entity, has no operations.
MetaScale LLC	This entity has minimal operations. It is an IT third party service provider.
SHC Financial, LLC	Dormant entity which was a financing entity.
SHC Israel Ltd.	Provided software development services for ShopYourWay platform; currently in liquidation.
SHMC Beverly Group LLC	Holding company which holds investments in Sears Global Technology Services LLC.
Sears Global Technology Services LLC	Provides IT support services in the United States.

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State Interactive LLC	Dormant entity which was established for interactive design services that include consulting, innovation, design, copywriting and web and mobile development and engineering services.
Bub, LLC	Dormant entity established as a website/app to allow members to borrow and exchange tools.
Ravenswood1010, LLC	Dormant entity which was established to re-develop formers Sears property.
Sears Financial Holding Corporation	Provides intercompany financing.
Sears Global Technologies India Private Limited (Sears Roebuck & Co. owns 95%)	Provides software development support services.
Sears Grand, LLC	Dormant entity which never had operations assigned to it.
Sears Holdings Mauritius Holding Company (Sears, Roebuck and Co. owns 99.99%)	Holding company of Sears IT & Management Services India Private Limited.
Sears IT & Management Services India Private Limited (Sears, Roebuck and Co. owns 94.98%)	Provides software development support services and business process outsourcing services to Sears Holdings Corp. and affiliates.
Sears Home Services, L.L.C.	Dormant entity which never had operations assigned to it.
Sears International Holdings Corp.	This is a holding company of Sears Canada Holdings Corp. and Sears Mexico Holdings Corp.
Sears Canada Holdings Corp.	Holding company which owns 11.7% of Sears Canada Inc.
Sears Mexico Holdings Corp.	Holding company that owns 1% interest in the two Mexican entities Inmuebles SROM, S.A. de C.V. and Sears Operadora Mexico, S.A. de C.V.
Sears Shop at Home Services, Inc.	Dormant entity which was established for catalogs and no longer has operations assigned to it.
Searsvale Acquisition LLC	This entity owns some Sears property in California.
Sears World Trade Comercial Limitada	Dormant entity which was a Brazil entity established for exports to South America.
SHC Charitable Promotions LLC	Entity organized to facilitate charitable activities, including the Heroes at Home Program.
SRC Crystal Lake LLC	Partner in real estate development joint venture.
Crystal Lake JV LLC	This entity owned a store. The property was sold and this is currently a shell.

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SRC Harlem North Redevelopment, LLC	Dormant entity which sold a Sears store to a developer.
SRC Sparrow 1 LLC	Holding company for SRC Sparrow 2 LLC.
SRC Sparrow 2 LLC	Issuer on Mezzanine Loan.
SRC O.P. LLC	Owns real estate in Maryland and is the issuer on Term Loan.
SRC Facilities LLC	Owns real estate in states other than Texas and Maryland and is the issuer on Term Loan.
SRC Real Estate (TX), LLC	Owns Texas real estate and is the issuer on Term Loan.
ST Holdings, Inc.	Dormant entity which was established for Sears Tower Holdings and no longer has operations assigned to it.
ServiceLive Solutions Ltd.	Canadian subsidiary under ServiceLive, Inc., formed to facilitate minor contract in Canada.
Sears Reinsurance Company Ltd.	Reinsures protection agreement obligations and other insurance risk.

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Exhibit C: Description of Intercompany Claims

KCD IP, LLC

KCD IP, LLC (“KCD”) holds the trademarks for the Kenmore and Diehard brands, as well as certain of the licenses to Sears Holdings and affiliates. On a prepetition basis, KCD received monthly royalty payments from Sears, Roebuck and Co. and Kmart Corporation (“Kmart”) for brand sales. Additionally, KCD has outstanding notes of \$900 million collateralized by the Kenmore and Diehard intellectual property, which notes are held by Sears Reinsurance Company Ltd., (“SReC”). Prepetition, KCD was paying monthly interest to SReC on the outstanding notes balance.

Sears Reinsurance Company Ltd.

Sears Reinsurance Company Ltd., (“SReC”) is a captive insurance company based in Bermuda and a wholly owned subsidiary of a Debtor SRe Holding Corporation (“SRe”). On a prepetition basis, SReC received monthly interest payments from Sears Roebuck Acceptance Corporation (“SRAC”) on SRAC issued Commercial Paper and Medium Term Notes. SReC also received interest on the \$900 million of KCD notes issued by KCD, and collateralized by the Kenmore and Diehard intellectual property. Prepetition, SReC made a quarterly settlement payment to Sears Protection Company and Sears Protection Company Florida, L.L.C. on account of service contracts for repairs and/or replacement. Additionally, SReC provides insurance to Sears Holdings Corporation (“SHC”) and affiliated companies for various risks relating to product warranty, products liability/completed operations, multiline casualty liability workers compensation and property insurance. On a quarterly basis, payments were made to reimburse SHC and affiliated companies for associated claims.

Sears Financial Holding Corporation

Prior to December 4, 2018, SRAC provided funds to Sears. Sears then provided funds to Sears Financial Holding Corporation (“SFHC”). SFHC then provided funds to Kmart. As of December 4, 2018, SRAC provides funds to Sears, and Sears then provides funds to Kmart.

Sears Mexico Holdings Corporation

Sears Mexico Holdings Corporation is a holding company that owns a 1% interest in two Mexican entities and annually pays a cash dividend to Sears Roebuck and Company.

Sears Israel, Hong Kong, and India

The following legal entities provide various support services to SHC and affiliate companies. The services include IT support and development, back office functions such as Human Resources, quality control and procurement of overseas merchandise. These operations are funded by SHC affiliate companies and excess cash is distributed back in the form of a dividend.

- SHC Israel Ltd.
- Kmart Overseas Corporation
- Sears Holdings Global Sourcing Limited
- International Sourcing & Logistics Limited
- Quality Assurance Laboratory Limited
- Sears Sourcing India Private Limited
- Sears Global Technologies India Private Limited
- Sears Holdings Mauritius Holding Company

SPC Sparrow 1, LLC (fka SRC Depositor Corporation)

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SPC Sparrow 1, LLC was a new entity formed in March 2018 via a merger with SRC Depositor Corporation and the dissolution of Real Estate Mortgage Investment Conduit (REMIC). In fiscal year 2017, rent was paid from Sears, Roebuck and Company to SRC Facilities Statutory Trust which in turn paid interest on the certificates held by SRC Depositor Corporation. For fiscal year 2018 this report presents these entities post restructuring and cash is no longer transferred between these entities. *See* General Notes, Financial Statements section for FYE 2017 and corresponding FYE 2018 legal entity name.

All other claims are intercompany payables and receivables. Historically these payables and receivables have not been settled.

The Debtors are not aware of any other claims of a Controlled Non-Debtor Entity against any other Controlled Non-Debtor Entity.

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Exhibit D: Allocation of Tax Liabilities and Assets

The Debtors currently pay all applicable federal, state and local income taxes on behalf of each domestic Controlled Non-Debtor Tax Legal Entity and Sears Reinsurance Company Ltd. (Bermuda Company that files federal income tax as a U.S. company per section 953(d) election). Various Non-Debtor Domestic limited liability companies are disregarded for income tax purposes. Income generated by these limited liability companies are consolidated at a higher reporting unit (Tax Legal Entity). Domestic taxes are allocated to each Tax Legal Entity based upon their taxable income.

Foreign Controlled Non-Debtor Entities record and pay their own foreign taxes.

There are no tax sharing or tax allocation agreements with the Controlled Non-Debtor Entities.

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Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

Currently, there are no known payments made, or obligations incurred (or claims purchased) by any Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against the Debtors.